



The President's Daily Brief

25 June 1971

46

Top Secret

50X1

FOR THE PRESIDENT ONLY

THE PRESIDENT'S DAILY BRIEF

25 June 1971

PRINCIPAL DEVELOPMENTS

Cambodian Army troops evidently acquitted themselves well in the recent fighting northeast of Phnom Penh; in the capital, meanwhile, there is a shortage of rice in retail outlets. (Page 1)

Egypt

(Page 2)

50X1

The new Mintoff administration in Malta is already taking steps aimed at loosening its ties to NATO and the West. (Page 3)

50X1

the prospect for eventual British ratification of the country's entry into the European Communities. (Page 4)

50X1

At Annex

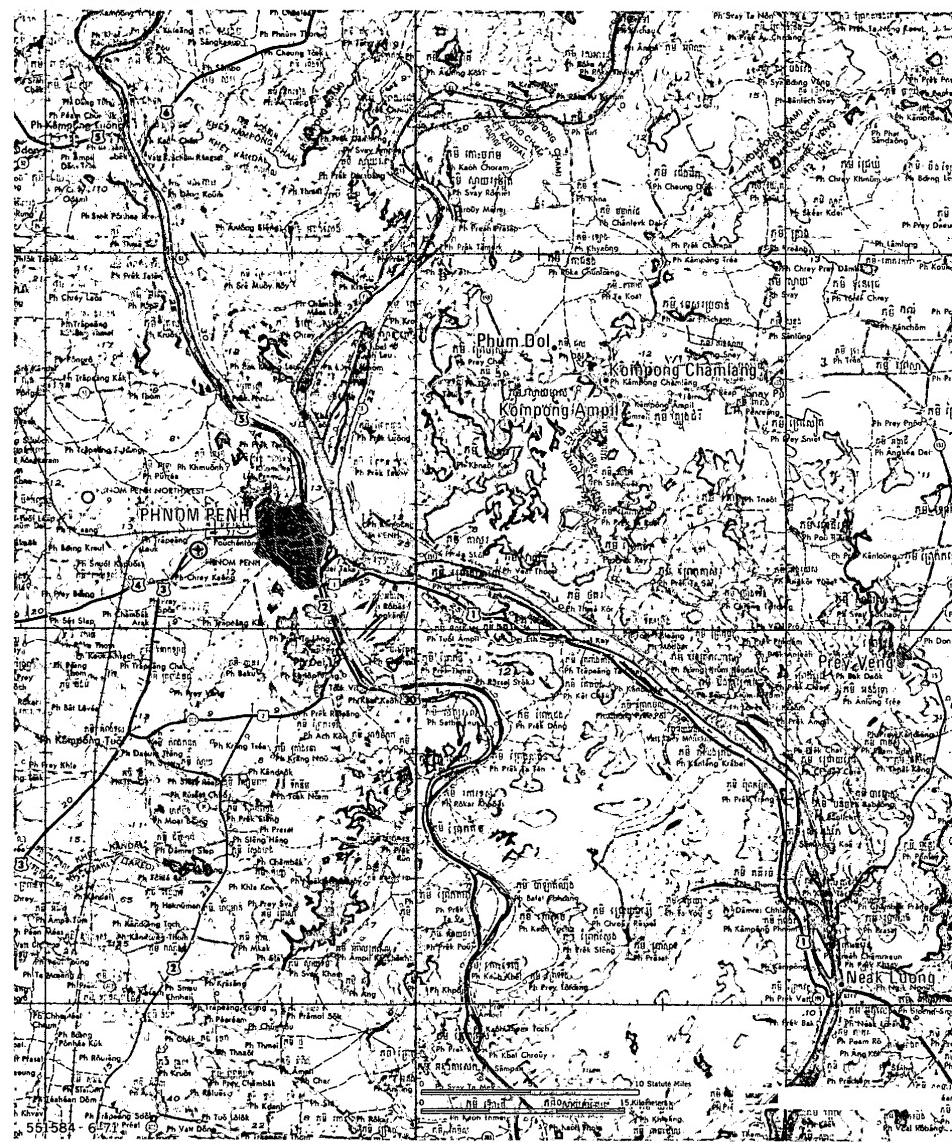
Romanian and Yugoslavian

50X1

Soviet

FOR THE PRESIDENT ONLY

Phnom Penh Area



FOR THE PRESIDENT ONLY

CAMBODIA

In the recent fighting northeast of Phnom Penh, government forces successfully combined firepower, ground maneuver, and air support to drive North Vietnamese units from prepared positions near Kompong Chamlang, according to the US defense attaché. The credit for this success is due primarily to Khmer Krom troops who, despite substantial casualties, persisted in their drive toward Kompong Chamlang.

The commander of the government campaign in the northeast plans to spend the next few days resting, resupplying, and reinforcing his battle-weary troops. Unless the Communists launch a strong counteroffensive, he apparently will next concentrate on fortifying his local defenses and on establishing a better logistic base to support future operations in the area.

The performance of the Khmer Krom, who have been the mainstay of the Cambodian Army since the war began, will give Phnom Penh a much needed psychological lift.

* * *

Rice virtually disappeared from store shelves in Phnom Penh during the past week. Prices have spiraled, partly as a result of panic buying. [redacted]

50X1

[redacted] Prime Minister Sirik Matak has ordered urgent measures to stabilize prices and prevent public disorder. The government has begun to sell its own stocks at official prices, partly to persuade merchants to release theirs, and is also working to improve shipments to the capital.

50X1

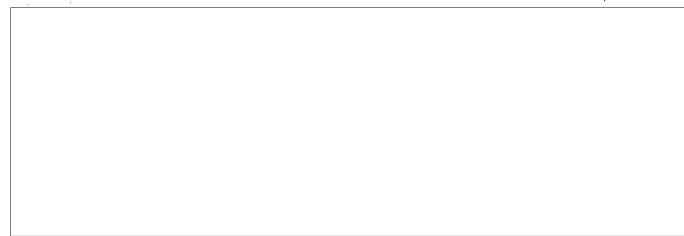
The shortages are attributed in part to hoarding by merchants who can no longer afford to sell at government prices. The current speculation may also have been triggered by intensified enemy action along Route 5, which has aroused fears that merchants in the north will now prefer to smuggle rice to Thailand rather than risk loss of their entire crop to the Communists. The heavy bribes exacted by Cambodian Army outposts along Route 5 and the recent deterioration of the Cambodian riel relative to the Thai baht are added incentives for such smuggling.

FOR THE PRESIDENT ONLY

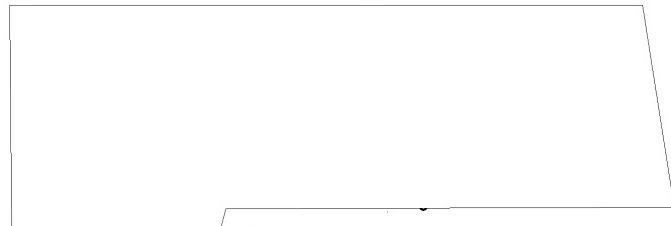
USSR-EGYPT



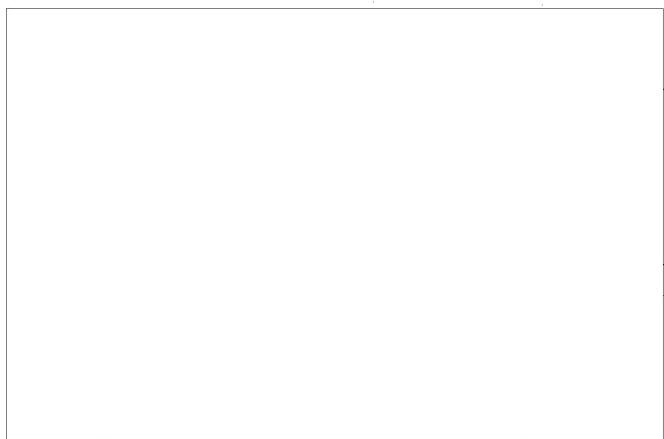
50X1



50X1



50X1



50X1

FOR THE PRESIDENT ONLY

FOR THE PRESIDENT ONLY

MALTA

The Ministry of Foreign Affairs notified the US Embassy in Valletta yesterday that visits to Malta by units of the US Sixth Fleet "cannot take place pending revision of general arrangements."

The embassy previously had submitted requests for the visits of a little over a dozen ships--carriers, destroyers, submarines and miscellaneous craft--for July, August, and September. The decision no doubt is intended to sound out the US on its intentions toward Malta and to ascertain how receptive--and how prompt--Washington is to Maltese requests for aid.

This move, coupled with peremptory decisions to declare the NATO commander of naval forces for southern Europe persona non grata, to relieve the British Governor-General of his duties, and to demand renegotiation of the UK-Maltese defense and financial agreements, make clear that Prime Minister Mintoff is determined to put his own stamp on foreign policy matters at once. These actions may satisfy more radical elements in his Labor Party for the time being, and they have the virtue of not committing Mintoff irrevocably to any course. He still has plenty of room for maneuver.

FOR THE PRESIDENT ONLY

FOR THE PRESIDENT ONLY

UNITED KINGDOM

As noted in the press, the Labor Party will convene a special conference in July to adopt a position on EC entry, even though Heath announced last week that the definitive vote on the question would not be held until after the regular party congresses in the fall.

The decision to hold the special conference was taken by a close vote of the party's executive committee.

50X1

Despite Tory efforts to win public support, only about 23 percent of the British public favors entry, according to recent polls. This undoubtedly reflects a widespread fear that EC membership would aggravate the rampant inflation and high unemployment now plaguing the British economy.

FOR THE PRESIDENT ONLY

NOTES

Bolivia: Security forces remain on alert as the unofficial popular assembly continues its activities. Initial sessions were marked by friction among the assembly's disparate leftist sponsors.

50X1

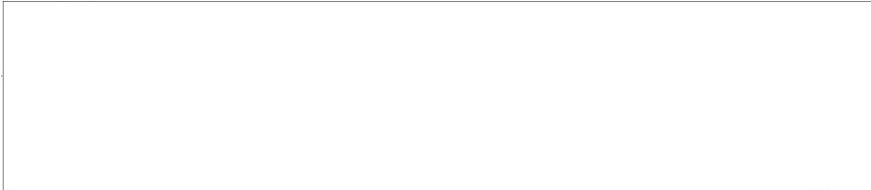
The establishment by the far leftist Bolivian Labor Central of a "military command," and its announced intention of organizing a national militia, could convince more military men of the need to move against Torres soon.

Peru: Minister of Fisheries Tantalean has disclosed that during his recent trip to the USSR and Communist China, Moscow had proposed a credit of \$54 million for assistance in building a fishing port. He added that unless there was a more favorable offer from the World Bank, Japan, or some other source by 31 July, Peru would accept the Soviet credit. The Soviet terms provide for repayment over ten years at three-percent interest, with the major portion payable in fishmeal. Tantalean also confirmed that commercial offices would be established in Lima and Peking to facilitate Peruvian trade with Communist China.

FOR THE PRESIDENT ONLY

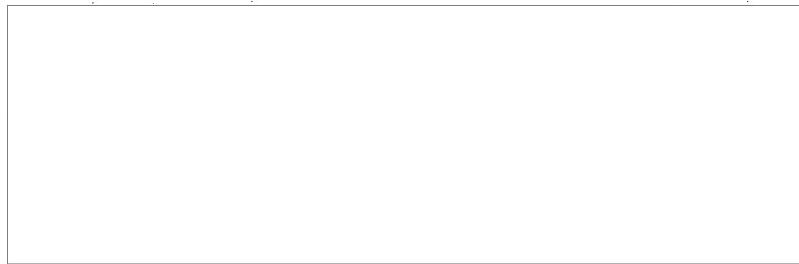
FOR THE PRESIDENT ONLY

ROMANIA-YUGOSLAVIA-USSR

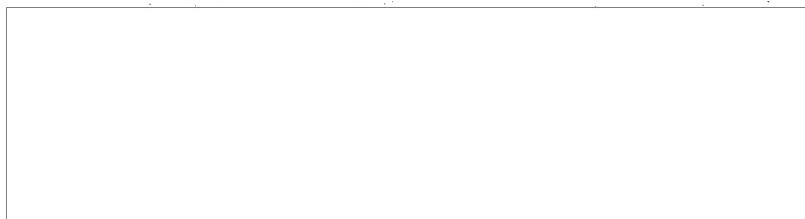


50X1

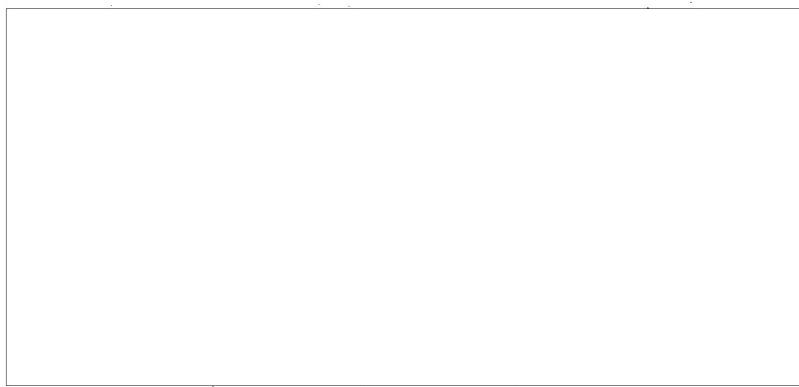
A
Z
E
X



50X1



50X1



50X1

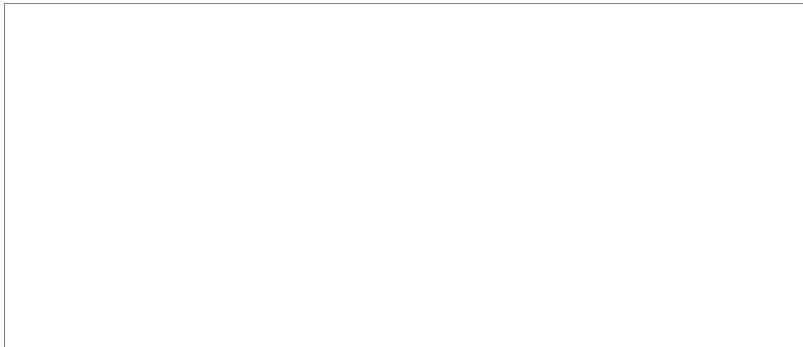


50X1

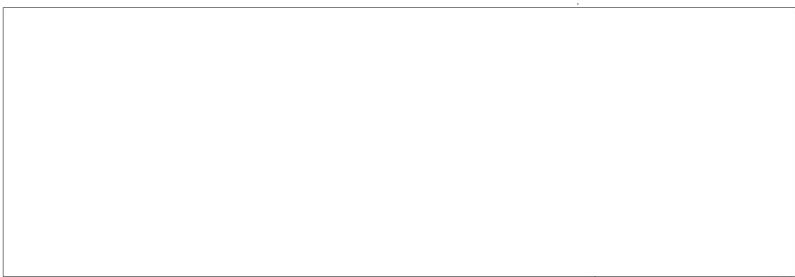
A1

FOR THE PRESIDENT ONLY

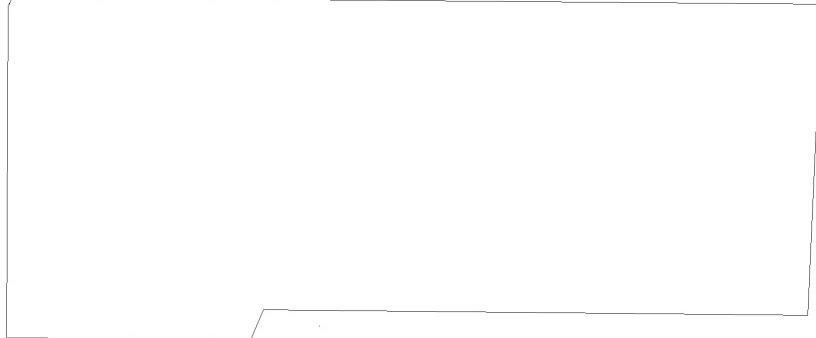
FOR THE PRESIDENT ONLY



50X1



50X1



50X1

A-2

FOR THE PRESIDENT ONLY

Top Secret